June 2003

Inside this Issue

OZ IT

Australian IT Bulletin

U.S. Commercial Service, Australia

Welcome

To the Australian IT Bulletin

This monthly publication contains useful business intelligence on the Australian IT market.

In this issue, you'll find information on:

- IT Developments in Australia,
- List of Big Systems Integrators,
- Forecasts of the Market,
- and much, much more!

For further information on the articles in this publication or on any aspect of the Australian IT market, please contact:

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www.buyusa.gov/australia/

Optus Dumps Data Centres

The local telecommunications company, Optus, wholly-owned by SingTel, has closed two data center facilities in Sydney. The two centers, valued at US$35 million, have been scrapped along with Optus's dotcom hosting services' strategy. This follows the closing of another data center facility in Melbourne earlier in the year.

The closures support what industry observers have claimed for some time now, that the data center market in Australia is overcrowded, and that there is not such a compelling business case for "rack and stack" centers. Note that these closures come after Exodus Communications/Global Crossing exit from the Australian market and the closure of Pihana data centers.

In other words, this does not look to be a good time to be considering data center services in the local market

Certification for Security Providers

Australian companies will soon be able to refer to an independent guide detailing the qualifications of local security systems providers.
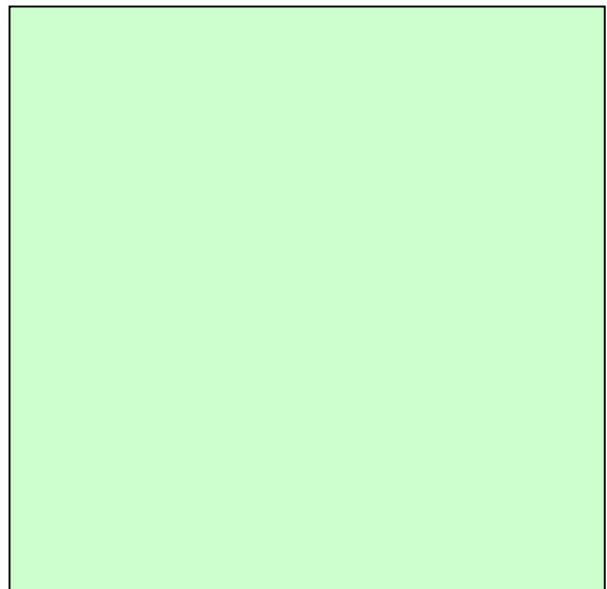
The process was launched at the recent AusCERT conference. Following the guidelines set forward in the International Systems Security Professional Scheme (ISSPCS), the first local graduates are due by the end of 2003.The scheme is devised to give consumers a guarantee that certified professionals will implement security solutions systematically and according to standards. More info can be found at www.isspcs.org

Defence Department Plans Secure Wireless Upgrade

The Australian Defence Force is in the initial stages of tender for a revamped secure wireless handheld device system. The new system must meet new standards for wireless security. The tender specifies the use of Ipsec triple-DES 128-bit encryption. This level of encryption is mandated for any system connected to the Defence Restricted Network. Furthermore, the system will need to comply NATO standardization on data formats for asset tracking. The NATO standard includes specifications for all barcode scanners and printers. The tender calls for handhelds to run on MS Pocket PC 2002 operating system and use StrongARM processors. The wireless interface must comply with IEEE 802.11b.

Local Services Market Losses Fizz

According to the Gartner Group, Australian spending on IT services increased by 1.1 percent in 2002 to reach US$10.8 billion. Expenditure on consulting services grew by 4.3 percent in 2002. However, local product support and development and integration services spending dropped 1.8 and 2.5 percent respectively. On the other hand, IT management services outsourcing services grew by three percent from 2001-2002.

BIIG Systems Integrators

Dimension Data Australia Pty Ltd

Level 6, 121-127 Harrington Street
The Rocks NSW 2000

Tel: 61 2 8249 5618

Fax: 61 2 8249 5630

www.didata.com.au

Steve Nola – Managing Director

DiData is one of the leading integrators in the local market, with revenue in excess of US$250 million annually. The company is a "gold" partner with all the major vendors.

Online Jobs On the Rise

The number of online job advertisements in Oz. An important indicator of the market

2002 Jobs	Number of
April	10,000
May	9,900
June	10,000
July	9,300
August	8,700
September	8,550
October	8,100
November	7,900
December	7,400
2003	
January	5,700
February	7,100
March	7,400
April	7,400

Source: Department of Employment and Workplace Relations

KAZ Group Limited

Level 7, 66 Wentworth Avenue
Surry Hills NSW 2010

Tel: 61 8 9273 1100

Fax 61 8 9273 1208

www.kaz.com.au

Peter Kazacos - CEO

The KAZ Group is a vendor-neutral systems integrator. Recently, the company purchased Aspect Computing. Strong in the AS/400 space.

Please let us know if these vendors are of use to you, and especially if it leads to an export success

Local E-Health Developers

Australian Healthcare Technology –
Internet health platform developer
ICS Global – Developer of THELMA –
Transactions Health Exchange Linking
Multiple Applications
Working Systems Solutions – Patient
administration systems
IBA Health – patient administration software
Pro Medicus – radiology systems
Health Communications Network –
Internet-based health information recourses

Local PR Companies to the IT Industry

Edelman Public Relations Pty Ltd
Phone: 61 2 9936 5500
Fax: 61 2 9936 5555
24/111 Pacific Highway
North Sydney, NSW 2060
Web Site: www.edelman.com.au

Hill & Knowlton Australia P/L
Phone: 61 2 9966 1255
Fax: 61 2 9966 1244
7/15 Blue Street
North Sydney, NSW 2060
Web Site: www.hk.com.au

Horizon Public Relations Ltd
79A Nelson Street
Annandale, NSW 2038
Web Site: www.hpr.com.au

N2N Communications Pty Ltd
6 Ribbenluke Avenue
Duffy's Forest, NSW 2084
Web Site: www.n2n.com.au

Professional Public Relations (PPR)
Phone: 612-9818-4044
Fax: 612-9810-3520
118 Victoria Road
Rozelle, NSW 2039
rlazar@ppr.com.au

Web Site: www.ppr.com.au

Recognition Public Relations Pty Ltd
Phone: 61 2 9252-2266
Fax: 61 2 9252-7388
Level 2, 51 Pitt Street
Sydney, NSW 2000
Web Site: www.recognition.com.au

Shuna Boyd Public Relations Pty Ltd
10A Seville Street
Lane Cove, NSW 2066
Web Site: www.shunaboydpr.com.au

Local Disty Daisytek Files for Chapt. 11

Local distributor, Daisytek Australia has
followed its U.S. parent into receivership
(Chapter 11). Directors claim that the local
operation is "viable" and has been brought
down by the U.S. parent's large credit
exposure.

Daisytek distributes over 12,000 products
including inkjet cartridges, toner cartridges,
ribbons, accessories, data storage media,
speciality paper media, copier and fax
supplies, paper and traditional office
products. These products come from more
than 150 industry leading manufacturers such
as Hewlett-Packard, Canon, IBM, Xerox,
Sharp, Imation, Lexmark, Okidata, Apple,
Panasonic and Kodak, to name a few.

www.daisytek.com.au

Attention: We would like to know if
Oz IT is useful to you. If information
from this newsletter leads to a sale
of signing of an agreement, please let
us know!
Contact
duncan.archibald@mail.doc.gov

IDC On the Australian Market

The research group, International Data Corp (IDC), has predicted that the US$13 billion local IT market will grow by 3.75 percent in 2003. The company warns that stronger growth will not take place until at least 2004.

The table below represents some of the leading technologies employed in the local market, and the percentage that they have increased over the last two years. The cable and DSL services market have grown the most, reflecting high uptake in a reasonably immature market.

Technologies In Use

Technology	Usage – 12/2001 %	Usage - 12/2002 %	Percentage Growth
Cable & DSL Services	16.3	52.3	221
Supply Change Management	11.8	21.0	78
Mobile Internet	7.8	13.4	72
Wireless Networks	19.6	30.7	57
Storage Area Networks	13.4	20.4	52
Sales Force Automation	11.1	15.5	40
Thin Clients	41.2	50.5	23
Online Exchanges	10.8	13.1	21
Online Learning	28.1	33.7	20
Customer Relationship Management	25.8	30.7	19

Source: IDC Australia

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